

## 6. AFFORDABLE HOUSING OPPORTUNITIES

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This chapter of the Housing Element summarizes the current range of affordable housing opportunities in Los Gatos. Information is included on housing program administered by the Town of Los Gatos as well as an inventory of affordable housing developments.

### TOWN HOUSING PROGRAMS

#### 1. Below Market Price (BMP) Program

The Town of Los Gatos was one of the first communities in California to adopt an Inclusionary Housing Zoning Ordinance in 1979. Since its adoption, the Town has implemented the Ordinance through the “Below Market Price” program. The BMP Program requires that a certain number of units in new residential developments be designated for low and moderate-income occupancy. The exact number of units required depends on the type and size of the development. For example, projects of 5-19 market rate units must provide a number of BMP units equal to 10% of the market rate units. Projects between 5-10 units may contribute an in-lieu fee instead of constructing actual units. BMP ownership units are initially sold at affordable prices to low and moderate-income persons and certain restrictions are recorded with the grant deed to ensure that there will be continued occupancy and ownership of the unit by low and moderate-income persons. The deed restrictions are designed to ensure that the units, even on resale, will remain affordable. When a BMP owner wishes to sell the unit, he or she must give the Town the right of first refusal to purchase it. The Town has six months in which to find a new purchaser.

As of Spring 2002, there were 62 units in the Town’s inventory of BMP units. However, another 60 BMP/Teacher units had been approved but not yet built. If these units are built, the Town’s inventory of BMP units will be approximately 122 total units. The Housing Authority of the County of Santa Clara manages the BMP program for the Town.

#### 2. Density Bonus Program

The Town’s Density Bonus Program provides a density bonus of up to 100% of the units permitted by the land use designation for housing restricted to seniors, disabled persons, very low and low-income households. From 1985-90, 115 density bonus units were approved. From 1990-96, 27 additional units were approved because of the density bonus program. During the period from 1996-2002, the Town approved residential density bonuses in the Los Gatos Creek Village Apartments, the Open Doors development and the Sobrato development.

### **3. Redevelopment Housing Funds**

In 1991, the Town adopted a Redevelopment Plan for the Central Los Gatos area and, in 1992, began implementation activities in that area. According to State law, approximately 20% of tax increment funds generated in a Redevelopment area are to be used for affordable housing.

The 20% tax increment funds are an important housing revenue source for a local community. Communities have a great deal of flexibility in using those funds as compared to State or Federal housing funds which may have detailed eligibility and use restrictions. The fund's balance as of Spring 2002 was approximately \$1.8 million dollars. It is expected that there will be additional annual increases to the fund from 2002-2006. The chart on page 51 of this document describes the amount of housing funds estimated from 2001-2006. The Town's Redevelopment Agency expects to utilize fund resources for the development and/or provision of affordable housing opportunities.

### **4. In-Lieu Fee Fund**

As required by the Town's BMP Program, certain residential developments must either built affordable units or contribute to the Town's BMP In-Lieu Fee fund. As of Spring 2002, the In-Lieu Fee fund had a balance of approximately \$1.4 million dollars. Similar to Redevelopment Housing Funds, the monies in this fund are to be used for the development or provision of affordable housing opportunities.

### **5. Housing Conservation Program**

In 1976, the Town initiated a program that was designed to assist in the rehabilitation of housing units occupied by lower income households. The program has continued to operate since 1976 and currently the Town provides both financial and technical assistance to owners of units occupied by lower income households. The Town provides both loans and grants to assist in financing repairs to correct health or building code violations, handicap accessibility modifications, earthquake safety or alleviate overcrowded situations through additional bedrooms or baths.

### **6. Rental Dispute Resolution Program**

The Rent Resolution Program monitors rent increases in multi-family housing development in the Town. The administration of the program is contracted out to a local non-profit organization, Project Sentinel.



Generally, rent increases are limited annually to the greater of 5% or 70% of the Consumer Price Index for that year. However, if repairs are made to the property or if the property is sold, additional rent increase can be allowed. Staff at Project Sentinel work with property owners in determining appropriate rent increases. Further, staff can also provide information and mediation services in regard to certain type of tenant-landlord issues.



***Open Doors is a 64 Unit Affordable Housing Development in Los Gatos***

## **AFFORDABLE HOUSING UNIT INVENTORY**

In addition to the housing programs identified on the previous pages, the affordable housing opportunities in Los Gatos include units specifically designated in developments for very low, low and moderate-income households. The table on the following page summarizes these units by name, type and household income level.

**ILLUSTRATION #21: AFFORDABLE HOUSING UNIT INVENTORY, TOWN OF LOS GATOS (SPRING 2002)**

NAME	OWNERSHIP	TYPE OF AFFORDABLE UNIT	VERY LOW INCOME	LOW INCOME	MODERATE INCOME
<b><i>Below Market Rate Units:</i></b>					
Forbes Mill	Private	Owner Occupied	0	3	0
Arroyo Rinconada	Private	Owner Occupied	0	3	1
Courtstyle	Private	Owner Occupied	0	2	3
Pollard Oaks	Private	Owner Occupied	0	0	2
Fountain Lane	Private	Owner Occupied	0	0	1
Town Court	Private	Owner Occupied	0	0	1
Bella Vista	Private	Owner Occupied	0	2	4
The Village	Private	Owner Occupied	0	1	1
Los Gatos Glen	Private	Owner Occupied	0	2	3
The Terraces	American Baptist Home	Renter Occupied: Elderly	0	29	0
Beckwith Apts.	Private	Renter Occupied	0	2	0
Los Gatos Oaks	Private	Renter Occupied	0	2	0
<b><i>Other Affordable Units</i></b>					
Los Gatos Fourplex	Mid-Peninsula Housing	Renter Occupied: Elderly	4	0	0
95 Fairview Plaza	Community Housing Developers	Renter Occupied	0	4	0
Open Doors	Mid-Peninsula Housing	Renter Occupied	60	4	0
Villa Vasona	PMG Properties	Renter Occupied: Elderly and Handicapped	107	0	0

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Los Gatos Creek Apartments	Village	Community Developers	Housing	Renter Occupied	12	0	0
<b>TOTALS</b>					<b>183</b>	<b>52</b>	<b>13</b>